



State of New Jersey
DEPARTMENT OF HUMAN SERVICES
DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES
P.O. Box 712
Trenton, NJ 08625-0712

JAMES E. MCGREEVEY
Governor

JAMES W. SMITH, JR.
Acting Commissioner

DEBORAH C. BRADLEY
Acting Director
Telephone 1-800-356-1561

MEDICAID COMMUNICATION NO. 02 - 05 DATE: January 18, 2002

TO: County Welfare Agency Directors

SUBJECT: Tax Year 2001 Earned Income Credit Campaign

As you may be aware, the Tax Year 2001 Earned Income Tax Credit (EITC) Campaign is in progress. As in past years, our Division and your agencies have participated in the outreach efforts to inform beneficiaries about the availability of the earned income tax credits. We appreciate your efforts and again seek your assistance with this year's Campaign.

Attached is a limited supply of the EITC bilingual flyer that we are requesting be made available to individuals utilizing your hospital outstationing sites. We also ask that you include a flyer when mailing out applications for the NJ FamilyCare program. The flyer provides basic information about the benefit and provides the telephone numbers and website addresses to contact for further information. Once your initial supply is exhausted, please feel free to duplicate them as needed for further distribution.

The Earned Income Tax Credit is a special tax benefit for certain low-income individuals who work full or part-time, reducing tax liability that may or may not result in a payment to the taxpayer. In addition to the Federal Earned Income Tax Credit, a New Jersey Earned Income Tax Credit is available to certain low-income working parents. For purposes of Medicaid and NJ FamilyCare eligibility, EITC payments are considered to be exempt from countable income.

The Federal EITC can provide up to \$2,428 in cash or a tax credit to working parents who have earned up to \$28,281 during 2001, and who have had one child reside with them for at least 6 months of the year. Families with two or more children who earned less than \$32,121 in 2001 may qualify for a credit of up to \$4,008. Certain foster parents may qualify if a child lived in the home for a full calendar year. In addition, a credit of up to \$364 is available to low-income workers between the ages of 25 and 65, without children, who earned less than \$10,710 in 2001.

In order to obtain the Federal Earned Income Tax Credit, IRS tax form 1040 or 1040A must be filed along with a Schedule EIC. Individuals who are not raising children need only to file a tax return. In addition, Volunteer Income Tax Assistance (VITA) centers will be operating throughout the state to provide free

assistance in completing the necessary tax forms. More information about the VITA sites is available by contacting the IRS toll-free number at 1-800-829-1040.

The New Jersey EITC provides up to \$364 for one child or \$601 for two or more children to working parents with incomes below \$20,000 and who file for the federal income tax credit. Eligible individuals must file a New Jersey resident income tax return and complete the NJEITC schedule. More information about the New Jersey Earned Income Tax Credit is available by contacting the Division of Taxation toll free at 1-888-895-9179.

If you have any questions about this communication or the EITC benefit program, please contact DMAHS field staff assigned to your county, at (609) 588-2556.

Sincerely,

A handwritten signature in black ink, appearing to read "Deborah C. Bradley".

Deborah C. Bradley
Acting Director



DCB:S

Attachments

c: Clifton R. Lacy, M.D., Commissioner-Designate
William Conroy, Deputy Commissioner
Department of Health and Senior Services

David C. Heins, Director
Division of Family Development

Charles Venti, Director
Division of Youth and Family Services



Boost Your Paycheck!

Claim Your Federal and State Earned Income Tax Credit

The Federal Earned Income Tax Credit (EITC) can help you if you worked full or part-time in 2001 and:

- you were raising one child in your home and your family earned less than \$28,281, you can receive up to \$2,428; or
- you were raising two or more children in your home and your family earned less than \$32,121, you can receive up to \$4,008; or
- you are between the ages of 25-65, not raising children, and earning less than \$10,710, you can receive up to \$364.

For more information on EITC or VITA call 1-800-829-1040
or visit www.irs.gov

The New Jersey Earned Income Tax Credit (NJ EITC) can help you if you worked full or part-time in 2001 and:

- you were raising one child in your home and your family earned less than \$20,000, you can receive up to \$364; or
- you were raising two or more children in your home and your family earned less than \$20,000, can receive up to \$601.

For more information call 1-888-895-9179
or visit www.state.nj.us/treasury/taxation/



¡Ayuda Para Su Sueldo!

Exija Su Crédito Por Ingreso

Tributario Federal y Estatat

El Crédito Por Ingreso Tributario Federal (EITC) le puede ayudar si usted trabajo tiempo completo ó parcial en el año 2001 y:

- **si criaron a solo un niño en su hogar y ganaron menos de \$28,281, pueden recibir hasta \$2,428; ó**
- **si criaron a dos ó más niños en su hogar y ganaron menos de \$32,121, pueden recibir hasta \$4,008; ó**
- **si tienen 25 a 65 años de edad sin niños en su hogar y ganaron menos de \$10,710, pueden recibir hasta \$364.**

**Para más información EITC o VITA llame 1-800-829-1040
ó visite www.irs.gov**

El Crédito Por Ingreso Tributario de Nueva Jersey (NJ EITC) le puede ayudar si usted trabajo tiempo completo ó parcial en el año 2001 y:

- **si criaron a solo un niño en su hogar y ganaron menos de \$20.000, pueden recibir hasta \$364; ó**
- **si criaron a dos ó más niños en su hogar y ganaron menos de \$20,000, pueden recibir hasta \$601.**

**Para más información llame 1-888-895-9179
ó visite www.state.nj.us/treasury/taxation/**